

Interim Results Presentation

Focused and Prudent Development Secured Sustainable Growth

August 30



Corporate Honor

The 2022 Shenzhen Real Estate Development Industry Event and the "2022 Shenzhen Real Estate Development Corporate Social Responsibility" was released. LVGEM (China) once again won:

- “Top 10 Enterprises in Shenzhen’s Real Estate Development Industry in terms of Comprehensive Strength”,
- “Integrity (Quality) Enterprise in Shenzhen Real Estate Development Industry”
- “Socially Responsible Enterprise in Shenzhen Real Estate Development Industry”



The Company has won the "Top 10 Shenzhen Real Estate Credit" award **for consecutive 13 years** and the “Top 10 Enterprises in Shenzhen’s Real Estate Development Industry in terms of Comprehensive Strength” list **for consecutive 11 years** with stable business fundamentals.

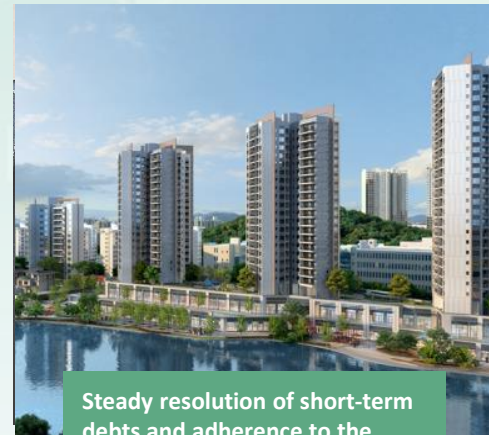
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- 05 Further Development Strategy

Highlights



“Focused and Prudent Development Secured Sustainable Growth”

2022 Interim Results Highlights



Steady resolution of short-term debts and adherence to the safety bottom line of the Group

- In the first half of this year, the short-term debt succeeded in refinancing, the debt pressure continued to ease;
- The debt structure was simple and clear, and there was no off-balance sheet liability or trust issued by the Group.



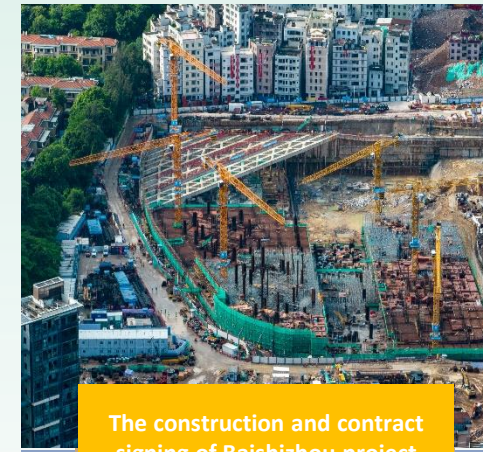
The introduction of strategic investment in Baishizhou project achieved a historic breakthrough

- Vanke strategically invested in the Baishizhou project with injecting RMB 2.3 billion, realizing complementary advantages and win-win cooperation;
- The safety of the project has been greatly improved, and the market's major confidence in the Group's smooth development of the Baishizhou project has been enhanced.



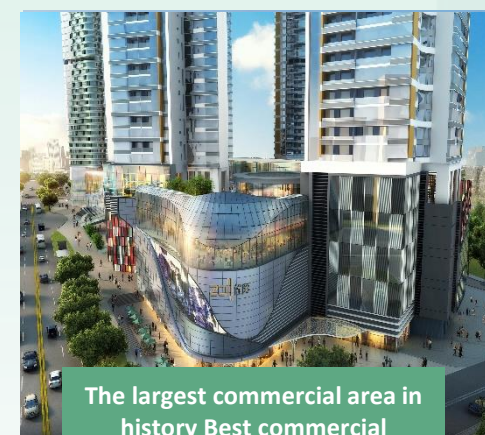
The banking consortium for baishizhou is nearly completed

- The procedure of banking consortium for baishizhou is progressing smoothly, with 6-7 state-owned banks and joint-stock banks participating in;
- The banking consortium's procedure is nearly completed, then it will strengthen the safety of cash flow for Baishizhou project.



The construction and contract signing of Baishizhou project were smoothly promoted

- The progress of the first phase of the project is satisfactory, and it is under the construction of plus minus zero;
- The Group is united to seize the construction period to ensure that the first phase of Baishizhou will be pre-sold in 2023;
- The overall signing rate is almost 95%, and it is expected that the second and fourth phases will reach 100% by the end of the year.



The largest commercial area in history Best commercial income in history

- In the first half of 2022, the LVGEM Zoll Mangrove Bay No.1 Shopping Mall opened; the total GFA of the Group's investment properties reached 1.64 million sq.m., and the commercial segment expanded steadily;
- Benefiting from the increase in a commercial area and good management level. The Group's rental income continued to grow.;

Interim Performance Analysis



Interim Performance Overview

Six Months Ended 30 June (RMB Million)	2022	2021	YoY Change
Revenue	1,045	2,030	-48.5%
Cost of sales	611	1,067	-42.8%
Gross profit	434	964	-54.9%
Gross profit margin	42%	48%	-6ppt
Profit for the period	1,027	622	65.2%
Profit attributable to the shareholders	631	638	-1.1%
Basic earnings per share (RMB cents)	12.37	12.52	-1.2%
Diluted earnings per share (RMB cents)	7.42	7.14	+3.9%

Reasons for the decline in revenue and gross profit:

- ✓ The recognized sales in the period mainly came from Zhuhai, Suzhou and other places. The amount of recognized area decreased and lower unit price of non-shenzhen project resulted in a decrease in the overall income;
- ✓ In the same period last year, recognized sales from Shenzhen project accounted for approximately 51%, then the unit price and gross profit were several times higher than those in Zhuhai and Huazhou.

Reasons for the increase in profit during the period:

- ✓ This was mainly due to the growth in the fair value of Baishizhou Phase IV office buildings transferred into investment properties.

Balance Sheet

(RMB Million)	30 June 2022	31 December 2021	YoY Change
Cash balance	5,732	7,287	-21.3%
-Cash and cash equivalents	2,744	3,907	-29.8%
- Restricted deposits	2,988	3,380	-11.6%
Total interest-bearing liabilities	32,761	31,188	5.0%
Total equity	30,250	29,441	2.7%
-Equity attributable to owners of the Company	26,342	25,929	1.6%
Total assets	89,139	84,942	4.9%
Net gearing ratio	89%	81%	+8ppt
Debt Analysis			
Secured	26,331	24,064	9.4%
Unsecured	6,431	7,123	-9.7%

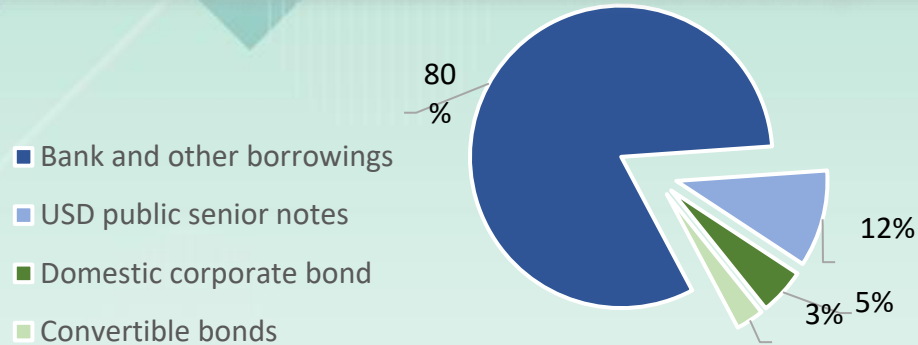
Reasons for decrease in cash balance:

- ✓ In the first half of this year, the land price and transitional rent of Baishizhou project, Zhuhai Joyful Town and others were paid;

Steadily Resolving Short-term Debt and Smoothly Implementing Finance Plan

(As of June 30, 2022, RMB million)

The debt structure is simple and clear, the financing cost remains within a reasonable range



Average finance cost: 6.5%

Short-term debts are gradually be settled, Guarding the safety line for the Group

- From January to August 2022, the Group has completed the re-arrangement of **84% of the total amount of short-term debt due within one year at the beginning of 2022** utilizing both repayment and extension:

2022/1/1 Short-term debt within one year: 9.85 billion

2022/6/30 8.28 billion has been settled



To be settled gradually in the second half of 2022

- From January to June 2022, with the Group's high-quality assets as the cornerstone, bank withdrawals proceeded smoothly. As of June 30, the accumulated withdrawals amounted to **RMB3.41 billion**.

Debt in the second half of 2022 and rescheduling plan of US dollar debt next year

- Onshore small public offerings bonds valued RMB 1.4 billion :

900 million completed extension

500 million completed repayment

RMB 1.4 billion

- Offshore Hong Kong dollar bonds valued HKD 600 million:

300 million completed extension

300 million due in Dec

HKD 600 million

- the USD470 million USD bond due in March 2023, the Group is actively preparing for it:

- The saleable resources of the group valued 7.9 billion, and it can accelerate the sales and enrich the Group's cash inflow;
- Domestic properties such as Shenzhen NEO and LVGEM Hotel are arranging to refinance of operating property loans, and the financing scale is expected to be RMB 1.5-2 billion;
- Based on the refinancing of Baishizhou's overseas equity, the scale is expected to be 300-500 million US dollars;
- The construction of the Baishizhou project is progressing smoothly, and the pre-sale is in sight, high certainty is appearing. The investors hope to continue to hold the group's bonds.

The Group has always maintained a clear and simple debt structure, mainly bank and other loans, and no trust and no wealth management products issued for financing purposes.

Vanke Invests in Baishizhou Project to Provide Immediate Cash

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MAJOR TRANSACTION IN RELATION TO DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY OF THE COMPANY

THE SUBSCRIPTION AGREEMENT

On 7 June 2022 (after trading hours), ICDL, the Target Company and the Investor entered into the Subscription Agreement, pursuant to which the Investor conditionally agreed to inject approximately RMB2.3 billion (approximately HK\$2.7 billion) into the Target Company, of which approximately RMB171.3 million (approximately HK\$201.5 million) will be contributed to the registered capital of the Target Company, which accounts for approximately 8% of the enlarged equity interest in the Target Company, and the balance of approximately RMB2.1 billion (approximately HK\$2.5 billion) will be accounted as capital reserve of the Target Company. Immediately after completion of the Subscription, the Investor will be interested in approximately 8% of the enlarged equity interest in the Target Company, and the Group's interest in the Target Company (holding through ICDL) will be diluted from 100% to 92%. According to Rule 14.29 of the Listing Rules, the relevant dilution is considered to be a deemed disposal of the Company's interest in a subsidiary.

THE COOPERATION AGREEMENT

Incidental to the Completion of the Subscription as a Conditions Precedent, on 7 June 2022, ICDL, the Target Company and the Investor entered into the Cooperation Agreement. The Cooperation Agreement stipulates various rights of the shareholders in the Target Company and the business and operational arrangements relating to the Target Company and the Project Company.

Vanke invested in Baishizhou project

- On June 7, 2022, Intelligent City Development Limited., Shenzhen Sida Industrial Development Co., Ltd., and Shenzhen Shenquan Real Estate Development Co., Ltd. under Vanke entered into a subscription agreement. **According to the agreement, Vanke plans to inject approximately RMB2.3 billion into Sida Industrial and acquire 8% of the equity;**
- **Vanke will not participate in the development, operation, and dividend distribution of the first and second phases of the project, but only participate in the project's partial operations and 20% dividends for the third and fourth phases.**

A win-win deal

- **As a leading real estate enterprise in China, Vanke entering Baishizhou will strengthen the development of this project and the security of the whole Group;**
- **With the advantages of real estate enterprises in development, operation and credit, Vanke can help improve the quality, efficiency and safety of baishizhou project;**
- **The cooperation provides greater cash flow support and reinforces the liquidity safety of the Group**

DBS maintains "BUY" rating

- DBS released a research report on this cooperation, saying that the company's major hangover have been removed. The arrangement will provide immediate cash for LVGEM settle near-term repayment obligations, and may better facilitate its future negotiation with creditors/investors via leveraging on its closer relationship with Vanke. **It believes the development is positive for LVGEM, maintains BUY call with a target price of HK\$1.89.**

Baishizhou consortium laid a solid foundation for project development

New scheme of Baishizhou consortium

- ◆ The total credit scale of the consortium is RMB20.7 billion, and the loan term is 60 months. Everbright Bank acts as the lead bank, with a participation amount of RMB10 billion;

Progress of Baishizhou new consortium

- ◆ Composition of participating banks: led by Everbright Bank, there are 6-7 participating banks, all of which are state-owned banks or joint-stock banks, with an approved credit of about RMB 20 billion;
- ◆ The group attaches great importance to the establishment of a special working group to promote the formation of the consortium, which is expected to be completed and withdrawn within 1-2 months;

Purpose and significance

- ◆ The credit is specially granted to Baishizhou for the development and construction of the Baishizhou project. The establishment of a consortium will effectively reduce the risks brought by a single bank loan, ensure that the group can withdraw money on time, and guarantee the fund security of the development and construction of the Baishizhou project;
- ◆ The credit for the Baishizhou project can meet the project development and construction expenses, and enhance the market's important confidence in the group's ability to develop Baishizhou.



Operational Review

The market environment is severe, and the anti-risk ability of projects in the core areas is obvious

- ✓ In the first half of 2022, the sales of subscription contracts reached RMB2.55 billion, an increase of 22.6% yoy; The sales area of the subscription contract was 114,000 sq.m, which was the same as that of the same period last year.
- ✓ In the first half of 2022, the market environment was severe, and the average sales contract of the top 100 in China was halved. The group's sales remained at a steady level despite the decline in the overall contract sales of the industry.

Contracted sales in 2022 (On subscription basis*)

Project	Contract area	Average contract price	Contract amount
Shenzhen Amazing Plaza	674	87,387	58
Zhuhai Joyful Town	13,171	18,223	240
Zhuhai Royal Bay	42,332	41,714	1,765
Huazhou International Garden	58,006	8,247	478
Suzhou joyful Garden	287	34,528	10

Calculation unit: sales area (m²), sales unit price (RMB/m²), sales amount (RMB million)



Zhuhai Royal Bay



Zhuhai Joyful Town

The market was cooling down, and the transaction of Zhuhai Royal Bay rose verse the market



序号	项目名称	成交金额 (亿元)	均价 (元/平)
1	华发广场	44.60	50000-55000
2	华发琴澳新城	20.10	31000-34000
3	中海寰宇天下	13.99	45000
4	华发又一城	8.39	13500
5	格力海岸	8.22	35000
6	九洲保利·天和	8.04	25000
7	国维中央广场	6.46	40000
8	万科红树东岸	6.40	31000
9	万科海上城市	6.20	29000
10	綠景玺悦湾	6.07	44000

说明：本榜单统计范围为城市在售热点新盘项目，综合企业财报、政府数据、机构数据、调研数据及公开数据加权汇总得出，统计周期为1月1日—6月30日，最终解释权归属乐居新媒体。

- As of June 30, 2022, there were 11,475 sets of residential housing online trade in Zhuhai in the first half of the year, **down 59% from 28,357 sets in the same period of last year. The house buyers had a strong wait-and-see mood and the property market was cold.**
- Leju Finance released the ranking list of sales amount of Zhuhai real estate market in the first half of 2022>(*recognized sales). **With its core location advantages and high-quality residential design, LVGEM Royal Bay is not afraid of poor market turnover. It is ranked 10th in the sales amount of Zhuhai in the first half of 2022.**

In the second half of 2022, the saleable resources will reach 7.9 billion, and the sales target is guaranteed

Royal Bay, Zhuhai (Zhuhai Dongqiao Project)



It is one of the three major urban renewal pilot villages in Zhuhai and has been listed in the annual key work of the urban area many times. The project is located at the core area of Nanwan, Xiangzhou District, Zhuhai City. It is a traditional luxury residential area with convenient transportation.

- Total building area: 500 thousand m²
- Average contract price: RMB 41,714 / m²
- Saleable area: 141,146 m²
- Saleable amount: RMB 5.9 billion

Huazhou International Garden



The project is located in Huazhou City, Maoming, Guangdong Province. Located in a mature residential area, which guards the middle section of the main axis of the urban development center, with convenient transportation that a half-hour commute, the project is named by major benefiting people in response to the call of Huazhou government.

- Total building area: 3 million m²
- Average contract price: RMB 8,247 / m²
- Saleable area: 114,104 m²
- Saleable amount: RMB 941.0 million

Others				
Cities	Project status	Estimated saleable area of inventory (m ²)	Average contract price (RMB)	Estimated inventory available for sale (RMB ten thousand)
Shenzhen	LVGEM Amazing Plaza	530	87,387	4,631
Zhuhai	The south area of Zhuhai Joyful Town	54,076	18,223	98,543
Suzhou	Remaining units in Suzhou(including parking space)	3,196	N/A	2,669

In the second half of 2022, the total saleable area is expected to be 313,052 m², and the total saleable amount is expected to be RMB 7.9 billion.

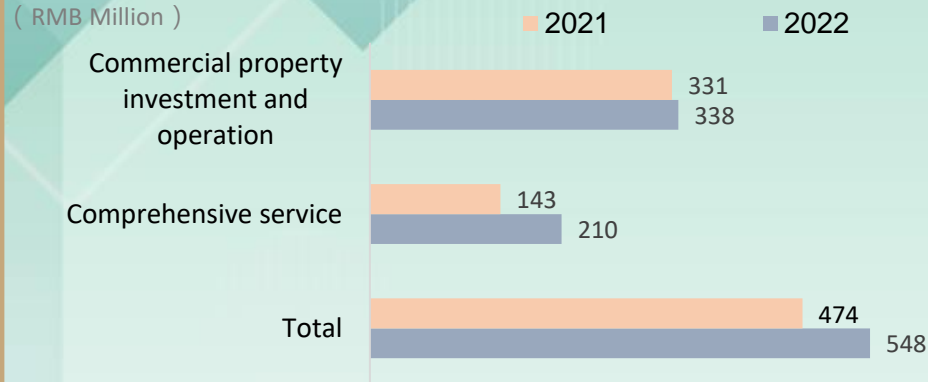
Sufficient land reserves ensure sustainable development

	No.	Projects	Location	Equity	Year of sales / expected pre-sale	Year of Construction Completion	Total GFA (sqm)	Remaining Saleable Area (sqm)
Projects Under Construction	1	Zone C1 and C2 of LVGEM International Garden	Huazhou, Maoming	100%	2021	2022	174,414	78,592
	2	Zone D3 of LVGEM International Garden	Huazhou, Maoming	100%	2021	2022	49,596	37,455
	3	Phase I and II of Zone G1 of LVGEM International Garden	Huazhou, Maoming	100%	2021-23	2022-24	305,856	121,365
	4	North District of LVGEM Joyful Town	Xiangzhou, Zhuhai	100%	2024	2025	213,703	159,828
	5	Phase I of Zhuhai Dongqiao Project	Xiangzhou, Zhuhai	91%	2021	2023	497,570	185,112
	6	Mangrove Bay No.1 phase II	Futian, Shenzhen	100%	2023	2024	164,572	10,771
	7	Phase I of Baishizhou Project	Nanshan, Shenzhen	80%	2023	2026	946,274	256,972
						Subtotal	2,351,983	
Projects to be Developed	1	The remaining phase of LVGEM International Garden	Huazhou, Maoming	100%	NA	NA	1,247,637	NA
	2	Lau Fau Shan Project	Lau Fau Shan, Hong Kong	95%	2024	2024	23,880	23,880
	3	Zhuhai Dongqiao project phase II	Xiangzhou, Zhuhai	91%	2024	2026	267,351	132,979
	4	Phase II, III and IV of Baishizhou Project	Nanshan, Shenzhen	80%	2024	NA	3,860,243	779,270
	5	Liguang Project	Baoan, Shenzhen	100%	2023	2024	562,689	275,499
	7	Nanxi Project	Xiangzhou, Zhuhai	51%	2025	2027	1,941,393	850,332
						Subtotal	7,903,193	
Projects to be Injected ²	1	Zhangyang Project	Zhangmutou, Dongguan	NA	NA	NA	5,500,000	NA
	2	Others	Shenzhen	NA	NA	NA	900,000	NA
						Subtotal	16,655,176	

- Notes: 1. Included the land reserve held by the controlling shareholder to be injected into the listed company.
2. Projects to be injected: According to the pace of development, the urban renewal projects will be injected into LVGEM; the area and development time indicators are still in the planning process

Steady Recurring Cash Inflow

Recurring Income Analysis (For the six months ended 30 June)



Property management service

As of June 30, 2022, the total service area is approximately **3.21 million** m², and there are **30 projects** under operation.



LVGEM Hotel

Strategic cooperation

- **LVGEM (Shenzhen) Hotel Management Co., Ltd**
- In the first half of 2022, the LVGEM hotel was requisitioned as the government's epidemic situation investigation and control center. **During the investigation and epidemic control period, the rooms were full. In the first half of 2022, the income of the LVGEM Hotel reached RMB 51.82 million, the highest in recent years;**
- The third light asset project, Huizhou Shuangyue Bay Jingli Hotel, was successfully expanded, and the second light asset Hotel, Huizhou Daya Bay Jingli Hotel, was officially put into operation, taking a step forward in the development of light and heavy assets in hotel management;
- In the first half of 2022, the company actively promoted the asset disposal of overseas hotel projects and signed the investment letter of intent.
- **Thousand Chambers of Commerce (strategic cooperative merchants of LVGEM assets)**
- Strategic cooperation has been reached with Restaurant Selig(新长福), Tenz (汤崎), Xixiu(细嗅), and Hamlets (哈姆雷斯) . **Also, 42 new strategic brands have been signed and 225 have been completed.**

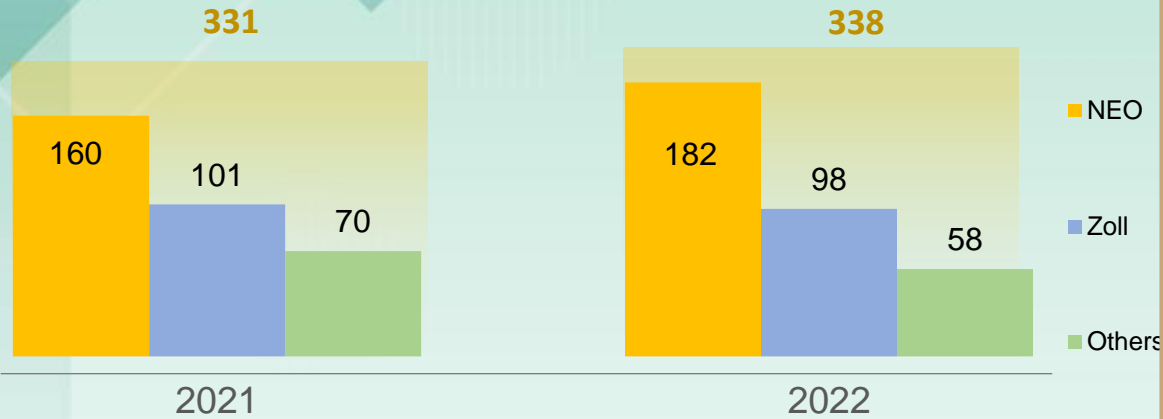
"Residential + commercial" two-wheel drive

Two core brands are developing steadily

Commercial property investment and operation analysis

(For the six months ended 30 June)

(RMB million)



NEO

Shenzhen NEO:

- 1) Under the influence of the epidemic, the performance of Shenzhen NEO was outstanding, **the rental rate exceeded 91%, and well-known enterprises such as Sina and Qihoo 360 settled in;**
- 2) Won the honorary title of "Shenzhen water-saving enterprise" with its outstanding achievements in energy saving.



Zoll

- **Zoll Mangrove Shopping center:** grand opening in January 2022.
- **Zoll huazhou project:** 1) Huazhou Cultural Food Street has been included in the representative project of Huazhou City. In cooperation with the government, it focuses on creating a food and cultural street with Maoming's historical and cultural customs and leisure experience, and has now started to attract investment;
- 2) **Wanda Plaza** has been capped in the first half of 2022 and expected to open in the first half of 2023.

Commercial Property Investment and Operation Overview

For the 6 months ended 30 June

Project name	Cites	Types	Year of Completion	GFA (sqm)	For the 6 months ended 30 June			
					Occupancy rate		Rental income (RMB million)	
					2021	2022	2021	2022
Zoll								
LVGEM Zoll Chanson Shopping Mall	Shenzhen	Shopping mall and parking spaces	2013	36,887	95%	96%	19	14
LVGEM 1866 Zoll Shopping Mall	Shenzhen	Shopping mall and parking spaces	2014	54,361	100%	96%	31	24
LVGEM Zoll Hongwan Shopping Mall	Shenzhen	Shopping mall and parking spaces	2015	85,899	96%	90%	34	27
LVGEM Zoll Mangrove Bay No.1 Shopping Mall	Shenzhen	Shopping mall and parking spaces	2018	34,279	NA	80%	-	13
LVGEM Zoll International Garden Shopping Mall (Zone A)	Huazhou	Shopping mall and ground-floor commercial space	2015	27,878	92%	92%	4	5
LVGEM Zoll International Garden Shopping Mall (Zone B)	Huazhou	Shopping mall and ground-floor commercial space	2018	37,638	81%	89%	3	4
LVGEM Zoll International Garden Shopping Mall (Zone D)	Huazhou	Ground-floor commercial space	2021	4,494	75%	95%	-	1
LVGEM Zoll International Garden Shopping Mall (Zone E)	Huazhou	Ground-floor commercial space	2020	7,369	96%	99%	1	1
LVGEM Zoll Jinhua Shopping Mall	Suzhou	Shopping mall	2004	15,504	96%	95%	5	4
LVGEM Zoll Yuexi Shopping Mall	Suzhou	Shopping mall	2018	12,216	93%	73%	4	4
Dongguan LVGEM Zoll Shopping Mall	Dongguan	Shopping mall	2019	59,056	44%	92%	-	1
NEO								
Tower A of Shenzhen NEO Urban Commercial Complex	Shenzhen	Office building, commercial units and parking spaces	2011	120,095	99%	90%	99	117
Towers B&C of Shenzhen NEO Urban Commercial Complex	Shenzhen	Office building, commercial units and parking spaces	2011	26,097	100%	100%	21	19
Hong Kong LVGEM NEO	Hong Kong	Office building, commercial units and parking spaces	2019	55,390	60%	71%	40	46
Other Project								
Mangrove Bay Building A Apartments	Shenzhen	Apartments	2018	25,383	100%	100%	-	13
Baishizhou Commercial segment	Shenzhen	Shopping mall and office building	-	741,269	NA	NA	-	-
Others		Industrial parks, stores and apartments		291,871	NA	NA	70	45
				Total	1,635,686		331	338

- As of June 30, 2022, it held **more than 30 investment properties with a total GFA of approximately 1,635,686 m²**. Under the severe environment, **the rental income of RMB 340 million was still recorded** in the first half of 2022, which contributed cash flow of the group.

Hong Kong NEO: CBD2 Super Grade- A Office Building with Full Sea View

Faced the macro risks, and the overall occupancy rate steadily increased to about **71%**↑



The occupancy rate broke through against the market and the operation remained stable.

- ◆ **Strong enterprises are preferred, and the rental income remains stable:** under the situation of continuous epidemic and macro environmental risks, Hong Kong NEO actively introduced enterprises to maintain stable rental income. Its main customers including FT Life Insurance, Ping An, Casetify, and Hong Kong Metropolitan University. **In the first half of 2022, the revenue was HK \$53.1 million, an increase of 12% yoy.**
- ◆ **Adapt to the changes, transform the business form, and constantly improve the rental rate:** the high-tech zone introduces the world's largest mobile phone accessories enterprise and is one of the benchmark start-ups in Hong Kong - Casetify; After the transformation planning of the ground-floor commercial area, in addition to Technogym, a sports tenant, and the Metropolitan University of Hong Kong, a higher education tenant, have implemented the expansion of the leased floor.
- ◆ **Confidence assurance of operation quality:** the 100% renewal rate reflects the high satisfaction of customers, including FT Life Insurance and Ping An, which have successfully implemented the renewal agreements, reflecting their confidence in the operation quality of the NEO brand.

Diversified supporting facilities are mature, and long-term value appears.

- ◆ Kowloon East—**Hong Kong's second central business district**
- ◆ The optimization of the surrounding environment is completed, and the transportation infrastructure is gradually completed, which **enhances the long-term value of the project.**



香港都會大學
HONG KONG METROPOLITAN UNIVERSITY

CASETiFY擴充 租觀塘NEO大廈5萬呎

大手租務
個別品牌進行擴充，手機配件 CASETiFY 租用觀塘綠景 NEO 大廈 5 萬呎樓面，呎租約 30 元。該品牌原租用同區工廈，是次大幅擴充。
市場消息指，觀塘綠景 NEO 大廈錄得大手租務，涉及中層兩層樓面，合共近 5 萬平方呎，成交呎租約 30 元。

涉中層兩層 呎租約30元

據了解，新租客為手機配件連鎖店 CASETiFY，該品牌原租用同區工廈天星中

心，涉及約 1 萬平方呎，如今大幅擴充至約 5 萬平方呎，屬近期罕有擴充個案。
該品牌近年在港積極擴充，主力於商場開設分店，包括中環置地廣場、尖沙咀 K11 Musea、沙田新城市廣場等；另於荃灣、觀塘等亦設門市。近日更趁舖租低，租銅鑼灣地帶商場地下舖位，面積約 2,000 平方呎，月租約 30 萬元。

觀塘綠景 NEO 大廈為區內質素較新甲廈，租金水平較高，本年初物業低層約 31,500 平方呎，以每呎約 30 元租出，新租客為香港都會大學，作後勤部門之用

另消息指，銅鑼灣時代廣場第二座高層 08 至 11 室，面積約 4,062 平方呎，以每平方呎 60 元租出。

▶ 觀塘綠景 NEO 大廈為區內較新甲廈，租金水平較高。（資料圖片）



Baishizhou Project Update



Known as the “Grand Urban Renewal Project” in Shenzhen

- ✓ Demolishment land area **about 459,000 square meters**
- ✓ Buildings to be demolished **about 1500**
- ✓ GFA **about 5 million square meters**
- ✓ Capacity building area **about 3.58 million square meters**
- ✓ Original resident population **about 80,000 persons**

Baishizhou Project refers to the "Shahe Wucun Urban Renewal Unit Project" in Nanshan District, Shenzhen is the largest, the most concerned, the most representative urban renewal project in Shenzhen

The project planning blueprint runs through the development for the next decade

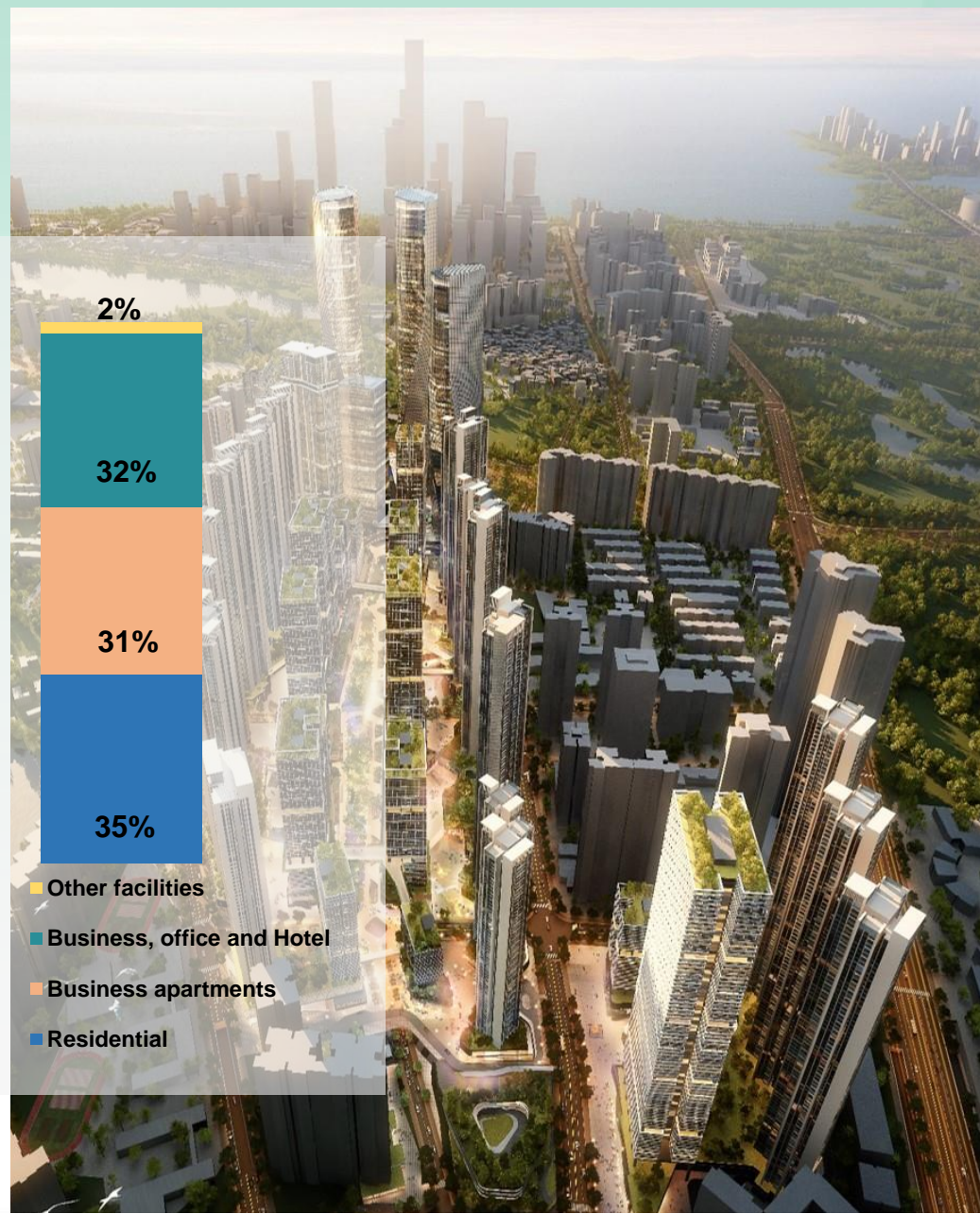


- **Geographical location:** Located in Shennan Avenue, Nanshan District, Shenzhen, adjacent to Innovation Park and Overseas Chinese town with a superb geographical location;
- **Overall project capacity:** approximately 3.58 million sq.m
- **Saleable area:** approximately 1.8 million sq.m
- **Development mode and phases:** Develop it phase by phase for total four phases
- **Development cycle:** 8-10 years

Business models distribution



GFA
3.58 million sq.m



Core location, price reference of surrounding buildings



Dachong · China Resources City (大冲·华润城) RMB 120-160 thousand per sqm

Shahe Golf

Baishizhou Project

Portofino Chunshuan(波托菲诺纯水岸) RMB 140-180 thousand per sqm

Xiangshan Meishu(香山美墅) RMB 100-140 thousand Per sqm

Strive to create a benchmark for Shenzhen's urban renewal and empower the city's value

Before, Baishizhou: a densely populated village with disordered streets in Shenzhen.



After, Baishizhou will transform into a smart city with international standards landmark buildings in the centre of Shenzhen, helping the city to achieve modernization.



Baishizhou Phase I Progressing smoothly, Excellent management system guaranteed the due day

Baishizhou project



Good Management System

Face recognized system



Nucleic Acid Check



Baishizhou project never stops constructing under COVID-19 based on good management system.

Construction Progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-08



Construction Progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-08



Construction Progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-08



Construction progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-10



Construction progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-10



Construction progress of Baishizhou Phase I

Baishizhou phase I
Land Parcels 01-10



The Group Has Made All-out Efforts to Develop the Baishizhou and the Project Construction is in Full Swing

The Director supervised to ensure the pre-sale next year



Daytime construction inspection



Night construction inspection

The Group united as one and worked hard



Pulled an all-nighter to ensure construction period



The Signing of Baishizhou Contract is Progressing Smoothly

Phase I signing rate:

100%

The signing was completed on
February 24, 2021



As of June 30

Overall signing rate of
phase I—IV:

Almost **95%** ↑

Ten Years Hard Working Molds a Sword and the Baishizhou Phase I will Enter the Harvest Period



February 24, 2021

The signing rate of Baishizhou phase I reached 100%

April 15, 2021

Baishizhou phase I was confirmed by the implementation entity

July 31, 2021

The construction permit of Baishizhou phase I was obtained and the construction was officially started

April 2, 2022

Paid the land premium of 01-08 pre-sale plots and obtained the land use certificate

September 2022

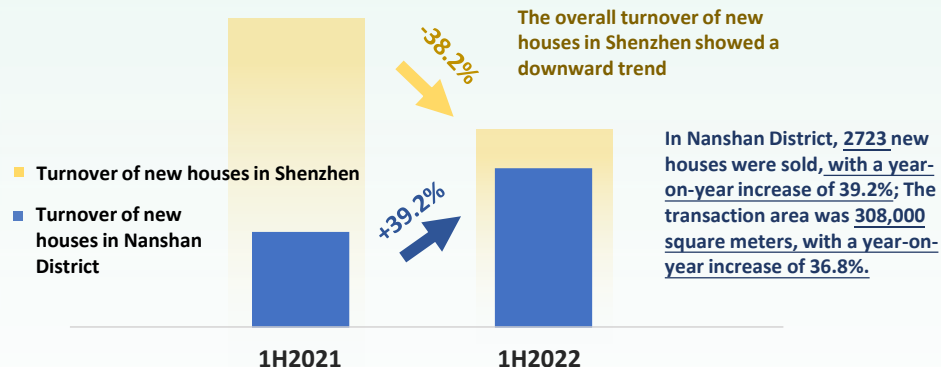
Baishizhou phase I entered positive and negative zero construction stage

Estimated 2023

Commenced pre-sale

The core area of Nanshan in Shenzhen has strong anti-risk ability

In the first half of 2022, when the economy was under pressure and the market turnover was bleak, the trading volume in Nanshan District rose against the trend and the anti-risk ability showed:



- According to the data of Zhongyuan Real estate, **the number of houses in Nanshan District with a transaction price of more than 10 million accounts for over half, The Baishizhou phase I in the first stage will launch 135,000 square meters of residential area next year. It is believed that the macro environment will further be improved and the market digestion will be more ideal.**

Presale of phase I of Baishizhou project -- a milestone leap

- ◆ **Press the accelerator button for development: the expected saleable area of phase I is 330,000 square meters.** it is expected that a large amount of cash will be withdrawn, and the sales scale and profit will achieve leapfrog growth.
- ◆ **Debt improvement met the requirement:** the withdrawal of funds will promote the significant reduction of net gearing. At that time, all three red lines will met the requirement, and the Company will smoothly met the requirement.
- **Recognized the capital and promoted the market value:** LVGEM will win the favor of the capital market with its high deterministic growth path and high growth rate, thus boosting the market value growth.
- ◆ **Brand value emerges:** create benchmark projects, further consolidate the Company's leading position in the old reform, and make the bay area brand name.



Development Strategy

- The central government adhered to the general policy tone of “no speculation on residential properties” and focused on “three stability”, strengthened the guidance of expectations, and actively explored new development models. In the first half of the year, favorable policies were issued frequently. The local government actively implemented policies based on the city and loosened the restrictions to support the market;
- With a volume of a trillion, the real estate industry is still one of the pillar industries of the national economy. I believe it will remain an important industry to stabilize people’s livelihood and the economy for a long time in the future. The Group believes that the policy has bottomed out and market confidence will be gradually restored.

The warm air of policy blows frequently

- In the short term, monetary policy will focus on real estate
- The central government has intensively stated that it will stabilize real estate and not expand the pilot of real estate tax within this year for the time being
- Real estate and enterprise financing, pre-sale fund supervision was moderately relaxed
- The marginal improvement of the residential mortgage policy involved lowering the down payment and the interest rate and relaxing the provident fund
- The finance and tax support of 13 cities across the country stimulated the purchase and consumption, and it is believed that the favorable policies will soon be extended to the business level of the Group

· Reshaping the industry of Ebb Tide

- 01 ➤ The real estate industry insisted on steadily deleveraging, and the high yield real estate enterprises motivated by high leverage and fast turnover have fallen into the situation of tight liquidity and difficult land acquisition;
- 02 ➤ Large scale expansion of real estate enterprises across the country, there are major uncertainties in the second and third tier cities and **below** with low **removal rate** and tight capital chain;
- 03 ➤ Competed for land acquisition, reduced project profits, and created a development bottleneck of increasing income without increasing profits.

LVGEM (China)

Adhere to regional development : focus on Guangdong-Hong Kong-Macao Greater Bay Area, lay out the core cities and areas in advance with foresight, lock in high-value soil storage at low cost, and meet the development in the next decade;

Greater Bay Area is the leader in the renovation field: the fast turnover mode driven by high leverage has been unsustainable. As a relic of the sea, the urban renewal field has begun to usher in structural opportunities.

Development Strategy

Deepen the renovation area in the bay area, and make a single project bigger and better

1) Fully advance high-value projects, promote the rapid return of funds, and ensure the operation safety of the Group;

2) Lay out the development plan, promote other renovation projects to be mature, adding new impetus to the long-term development of the Group.

- | | | |
|----|----------|--------------------|
| 1) | Zuhai | Dongqiao project |
| | | Baishizhou project |
| | Shenzhen | Li Guang project |



- | | | |
|----|----------|-------------------|
| 2) | Zuhai | Nanxi project |
| | Dongguan | Zhangyang project |



Deepen the “residential + commercial” two-wheels drive mode and adhere to the “two legs” approach

With the injection of controlling shareholders’ assets and the launch of large-scale renovation projects, the commercial areas in the core cities and areas will expand steadily, and it is expected to reach 2 million square meters in 8-10 years, and the income will support half of the performance.



Deepen the layout of “real estate + science and technology”, and create an intelligent new city

The Group, together with Huawei, PowerTech (联动), and other technology giants, was committed to empowering real estate with science and technology and sincerely cooperating in exploring green and smart new cities. The Group focused on the research and development of the smart city management system (UOP), which is expected to cover all communities by 2022 and become the leader in smart management.





THANKS